Labour Market Notes

Employment stable as unemployment rate falls

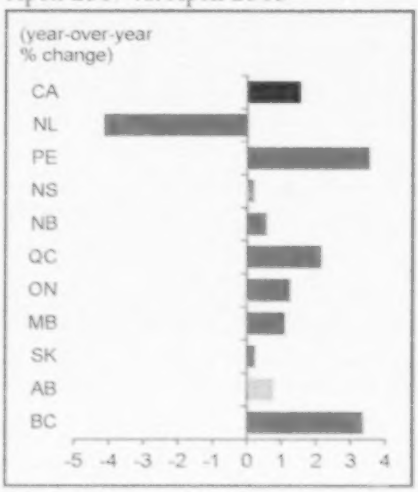
Alberta

- Employment holds recent gains. Alberta's employment was virtually unchanged in April after a solid gain in March.
- Goods sector improving. Monthly employment gains in the goods-producing sectors (+9,700) were offset by losses in the service-producing sectors (-10,000). Employment in the goods sector continued to stabilize, increasing in seven of the last nine months, led by the third monthly gain in the hard hit manufacturing sector (+7,900).
- More full-time employment. The transition back to full-time employment continued for the third month in a row. The number of full-time positions increased (+2,900), while number of part-time positions declined (-3,200).
- Employment improving over last year's level. On a year-over-year basis, employment increased 17,400 or 0.8%. This was first annual increase since October 2015. Employment is now 39,300 above the low in July 2016.
- Unemployment rate falls to 12 month low. The unemployment rate decreased by 0.5 percentage points to reach 7.9% in April, the lowest level since April 2016, as fewer Albertans looked for work. The participation rate decreased 0.4 percentage points to reach 72.7%, offsetting most of the gain experienced in March.
- The private sector adds to gains. The private sector added 1,500 jobs in April following a strong gain in March. Conversely, the number of self-employed declined for the first time in five months.
- Earnings remain soft. Average Weekly Earnings (AWE) decreased 0.2% in February to $1,108. They remained 1.2% lower than a year ago and near the May 2016 low.

Canada

- Employment gains continue. Canadian employment increased by a modest 3,200 in April, the fifth consecutive monthly increase. The increase was largely due to a 11,300 gain in BC, as seven of the remaining nine province experienced declines. Year-over-year, Canadian employment grew by 275,700, well above the pace in 2014-15.
- Unemployment rate ticks down. The Canadian unemployment rate fell by 0.2 percentage point to 6.5% in April, the lowest level since October 2008.
- Canadian earnings stable. Canadian average weekly earnings (AWE) rose 0.1% month-over-month in February to reach $968 and are 1.5% higher than a year ago.

Employment Growth by Province, April 2017 vs. April 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,289,000
month-over-month change	300
year-over-year % change	0.8%
Alberta Unemployment Rate (LFS)	7.9%
Edmonton UR**	8.1%
Calgary UR**	8.3%
Participation Rate	72.7%
Average Weekly Earnings (AWE)	$1,108.40
year-over-year % change	-1.2%
Average Hourly Wage	$29.88
year-over-year % change	-0.2%
Job Vacancy Rate***	3.3%

Source: Statistics Canada

* All data is from the April 2017 Labour Force Survey, except AWE which is the February 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for January 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

May 2017
Treasury Board and Finance
Economics and Revenue Forecasting

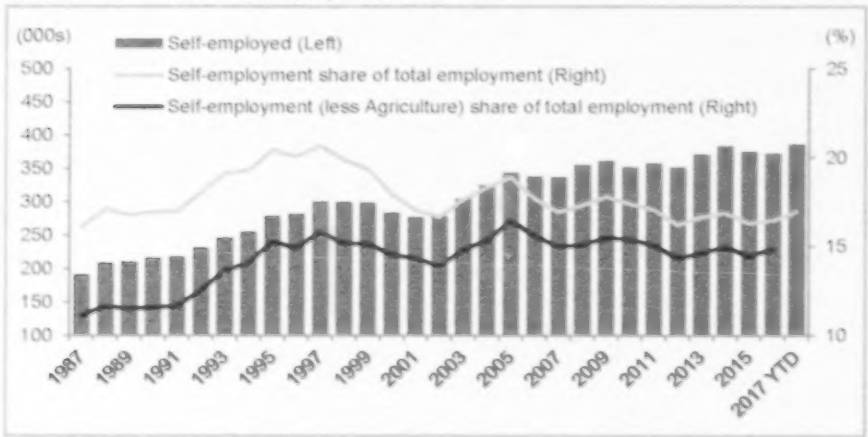
Self-employment a source of stability

Self-employment fared better than paid employment during the downturn and has contributed to the gains so far in 2017. Self-employment includes individuals who are working owners of a business, farm or professional practice, with or without paid help. This labour insight looks the trends in self-employment.

Self-employment is resilient

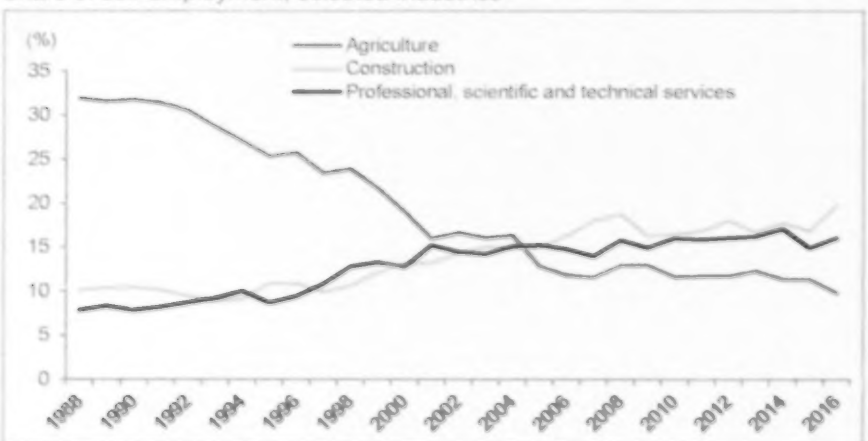
Historically, self-employment tends to fare better than paid employment in economic downturns. For example, the level of self-employment increased in both the 2009 and in the 1982-1983 recessions. Although self-employment weakened in 2015, it remained resilient in 2016, declining by 0.6% compared to a fall of 1.8% in paid employment. The decline was mainly due to agriculture, which fell by 6,000. Excluding agriculture, self-employment increased by 3,600, led by gains in construction (+10,600) and the professional, scientific and technical (+3,800) industries.

Chart 1: Self-employment remains stable
Level and share of self-employment in Alberta



Source: Statistics Canada, YTD not available for self-employment excluding agriculture.

Chart 2: Decline in agriculture offset by gains in other industries
Share of self-employment, selected industries



Source: Statistics Canada

Self-employment share stable

The level and share of self-employment has been relatively stable over the past five years. The share has remained around 16.5% since 2012, down from a high 20.7% in 1997. The decline since 1997 is largely due to declining self-employment in agriculture. Excluding agriculture, the share of self-employment has remained stable since the mid-1990s (Chart 1).

Changing composition

The decline in agriculture self-employment has led to changes in industry composition. The share of self-employment in the agricultural industry has been decreasing since the early 1990s as it failed to keep pace with the growth in paid employment. The level of agriculture self-employment has been declining since 1998, consistent with the trend in the U.S. and in Canada. However, in Alberta, the decline has been offset by increasing self-employment in construction and professional, scientific and technical industries (Chart 2).

Recent gains

So far this year, employment in Alberta has increased by 21,600. Despite some month-to-month volatility, most of the gains have been in self-employment (+16,600). This category has accounted for more than a third of the employment gains since the July 2016 low.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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